

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF COON RAPIDS, MINNESOTA
AND
ALLINA HEALTH SYSTEM**

This Memorandum of Understanding is made this 23rd day of June, 2016, by and between the undersigned representatives of the City of Coon Rapids, Minnesota (the “City”), and Allina Health System, doing business as the Mercy Hospital (“MCY”), a non-profit corporation organized and existing under the laws of the State of Minnesota.

RECITALS:

WHEREAS, MCY is a Minnesota, non-profit hospital which provides a disproportionate share of health care services to the Medicare and Medicaid population in addition to supporting many programs that benefit indigent, uninsured or underinsured patients;

WHEREAS, MCY desires to participate in the drug discount program established under Section 340B of the Public Health Service Act (the “340B Program”);

WHEREAS, in order to participate in the 340B Program, MCY must enter into an agreement with a unit of the state government pursuant to which MCY commits to provide healthcare services to low income individuals who are not entitled to Medicare or Medicaid benefits at no reimbursement or considerably less than full reimbursement from these patients;

WHEREAS, MCY desires to make such a formal commitment to the City; and

WHEREAS, the City agrees to accept such commitments on behalf of the citizens of Coon Rapids, Minnesota.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed and covenanted, under seal, by and between the parties to this Agreement, as follows:

1. **Commitment of MCY to Provide Indigent Care.**

During the term of this MOU, MCY agrees to continue its historical commitment to the provision of healthcare to indigent, uninsured and underinsured residents of Coon Rapids, Minnesota, and the surrounding communities. MCY provides many health care services and programs which are needed to meet the health care needs of a community but which do not generate revenue. For example, MCY maintains emergency rooms on a 24-hour, 365-day basis, a variety of educational programs for

the community, and participates in community emergency preparedness. MCY provides free care to patients who are not eligible for Medicare or Medicaid if they earn at or below 275% of the Federal Poverty Level. And uninsured patients whose annual household income is below \$125,000 are eligible to receive an uninsured discount. Patients with health insurance but whose insurance does not cover a particular item are service are eligible for a similar underinsured discount. MCY will continue to provide these services, and will ensure that all patients will receive necessary care, as required by law, in its Emergency Departments, regardless of ability to pay.

2. **Acceptance and Acknowledgments of the City.**

(a) The City accepts the commitment of MCY set forth above;

(b) The City hereby acknowledges that the healthcare services provided by MCY hereunder are in the public interest and are being provided to individuals who are not entitled to benefits under Title VIII or eligible for assistance under any State plan pursuant to Title XIX of the Social Security Act; and

(c) The City acknowledges that MCY is providing a significant amount of free and discounted services to indigent, uninsured and underinsured.

3. **Term and Termination.**

The term of this MOU shall commence on the date first above written and shall continue until terminated by either party upon not less than sixty (60) days prior written notice to the other.

4. **Notice.**

All notices required or permitted to be given under this MOU shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

Sent to the City:

City of Coon Rapids
11155 Robinson Drive
Coon Rapids, MN 55433-3761

Sent to MCY:

Sara Criger
Mercy Hospital
4050 Coon Rapids Blvd.
Coon Rapids, MN. 55433

5. **Governing Law.**

This MOU shall be governed by and construed in accordance with the laws of the State of Minnesota (excepting any conflict of laws provisions which would serve to defeat application of Minnesota substantive law).

IN WITNESS WHEREOF, City and MCY have executed this Agreement as of the day and year first written above by their duly authorized representatives.

ALLINA HEALTH SYSTEM

By: _____
Name: Sara Criger
Title: President, Mercy Hospital

CITY OF COON RAPIDS, MINNESOTA

By: _____
Name: Jerry Koch
Title: Mayor, City of Coon Rapids

By: _____
Name: Matt Stemwedel
Title: City Manager, City of Coon Rapids